

# Senate File 556 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON ECONOMIC GROWTH  
(SUCCESSOR TO SF 29)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to economic development activities, making  
2 appropriations, providing tax exemptions, credits, and  
3 refunds, providing penalties, and providing applicability  
4 dates.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 1062SV 82  
7 tm/je/5

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1 1 DIVISION I  
1 2 HISTORIC PRESERVATION AND CULTURAL AND  
1 3 ENTERTAINMENT DISTRICT TAX CREDIT  
1 4 Section 1. Section 404A.1, subsection 1, Code 2007, is  
1 5 amended to read as follows:  
1 6 1. A historic preservation and cultural and entertainment  
1 7 district tax credit, subject to the availability of the  
1 8 credit, is granted against the tax imposed under chapter 422,  
1 9 division II, III, or V, or chapter 432, for the rehabilitation  
1 10 of eligible property located in this state as provided in this  
1 11 chapter. Tax credits in excess of tax liabilities shall be  
1 12 refunded or credited as provided in section 404A.4, subsection  
1 13 3.  
1 14 Sec. 2. Section 404A.4, subsection 3, Code 2007, is  
1 15 amended to read as follows:  
1 16 3. A person receiving a historic preservation and cultural  
1 17 and entertainment district tax credit under this chapter which  
1 18 is in excess of the person's tax liability for the tax year is  
1 19 entitled to a refund of the excess at a discounted value. The  
1 20 ~~discounted value of the tax credit refund, as calculated by~~  
1 21 ~~the department of economic development, in consultation with~~  
1 22 ~~the department of revenue, shall be determined based on the~~  
1 23 ~~discounted value of the tax credit five years after the tax~~  
1 24 ~~year of the project completion at an interest rate equivalent~~  
1 25 ~~to the prime rate plus two percent. The refunded tax credit~~  
1 26 ~~shall not exceed seventy-five percent of the allowable tax~~  
1 27 ~~credit. Any credit in excess of the tax liability shall be~~  
1 28 ~~refunded with interest computed under section 422.25. In lieu~~  
1 29 ~~of claiming a refund, a taxpayer may elect to have the~~  
1 30 ~~overpayment shown on the taxpayer's final, completed return~~  
1 31 ~~credited to the tax liability for the following year.~~  
1 32 Sec. 3. Section 404A.4, subsection 4, Code 2007, is  
1 33 amended to read as follows:  
1 34 4. The total amount of tax credits that may be approved  
1 35 for a fiscal year under this chapter shall not exceed two ten  
2 1 million four hundred thousand dollars in the fiscal year  
2 2 beginning July 1, 2007, fifteen million dollars in the fiscal  
2 3 year beginning July 1, 2008, and twenty million dollars in the  
2 4 fiscal year beginning July 1, 2009, and each fiscal year  
2 5 thereafter, less any amount appropriated pursuant to section  
2 6 404A.6. For the fiscal period beginning July 1, 2005, and  
2 7 ending June 30, 2015, an additional four million dollars of  
2 8 tax credits may be approved each fiscal year for purposes of  
2 9 projects located in cultural and entertainment districts  
2 10 certified pursuant to section 303.3B. Of the tax credits  
2 11 approved for a fiscal year under this chapter, ten percent of  
2 12 the dollar amount of tax credits shall be allocated for  
2 13 purposes of new projects with qualified costs of five hundred  
2 14 thousand dollars or less, and forty percent of the dollar  
2 15 amount of tax credits shall be allocated for purposes of new  
2 16 projects located in cultural and entertainment districts

2 17 certified pursuant to section 303.3B or identified in Iowa  
2 18 great places agreements developed pursuant to section 303.3C.  
2 19 Any of the ~~additional~~ tax credits allocated for projects  
2 20 located in certified cultural and entertainment districts or  
2 21 identified in Iowa great places agreements and for projects  
2 22 with a cost of five hundred thousand dollars or less that are  
2 23 not ~~approved~~ reserved during a fiscal year shall be applied to  
2 24 reserved tax credits issued in accordance with section 404A.3  
2 25 in order of original reservation. The department of cultural  
2 26 affairs shall establish by rule the procedures for the  
2 27 application, review, selection, and awarding of certifications  
2 28 of completion. The departments of ~~economic development,~~  
2 29 cultural affairs, and revenue shall each adopt rules to  
2 30 jointly administer this subsection and shall provide by rule  
2 31 for the method to be used to determine for which fiscal year  
2 32 the tax credits are available. With the exception of tax  
2 33 credits issued pursuant to contracts entered into prior to  
2 34 July 1, ~~2005~~ 2007, tax credits shall not be reserved for more  
2 35 than ~~five~~ three years.

3 1 Sec. 4. NEW SECTION. 404A.6 APPROPRIATION ==  
3 2 ADMINISTRATIVE COSTS.  
3 3 For the fiscal year beginning July 1, 2007, and each fiscal  
3 4 year thereafter, there is appropriated from the general fund  
3 5 of the state to the department of cultural affairs one hundred  
3 6 fifty thousand dollars, or so much thereof as is necessary,  
3 7 for purposes of costs associated with administering this  
3 8 chapter.

3 9 Sec. 5. Section 422.11D, subsection 1, Code 2007, is  
3 10 amended to read as follows:  
3 11 1. The taxes imposed under this division, less the credits  
3 12 allowed under sections 422.12 and 422.12B, shall be reduced by  
3 13 a historic preservation and cultural and entertainment  
3 14 district tax credit equal to the amount as computed under  
3 15 chapter 404A for rehabilitating eligible property. Any credit  
3 16 in excess of the tax liability shall be refunded or credited  
3 17 to the following year, as provided in section 404A.4,  
3 18 subsection 3.

3 19 Sec. 6. Section 422.33, subsection 10, paragraph a, Code  
3 20 2007, is amended to read as follows:  
3 21 a. The taxes imposed under this division shall be reduced  
3 22 by a historic preservation and cultural and entertainment  
3 23 district tax credit equal to the amount as computed under  
3 24 chapter 404A for rehabilitating eligible property. Any credit  
3 25 in excess of the tax liability shall be refunded or credited  
3 26 to the following year, as provided in section 404A.4,  
3 27 subsection 3.

3 28 Sec. 7. Section 422.60, subsection 4, paragraph a, Code  
3 29 2007, is amended to read as follows:  
3 30 a. The taxes imposed under this division shall be reduced  
3 31 by a historic preservation and cultural and entertainment  
3 32 district tax credit equal to the amount as computed under  
3 33 chapter 404A for rehabilitating eligible property. Any credit  
3 34 in excess of the tax liability shall be refunded or credited  
3 35 to the following year, as provided in section 404A.4,  
4 1 subsection 3.

4 2 Sec. 8. Section 432.12A, subsection 1, Code 2007, is  
4 3 amended to read as follows:  
4 4 1. The tax imposed under this chapter shall be reduced by  
4 5 a historic preservation and cultural and entertainment  
4 6 district tax credit equal to the amount as computed under  
4 7 chapter 404A for rehabilitating eligible property. Any credit  
4 8 in excess of the tax liability shall be refunded or credited  
4 9 to the following year, as provided in section 404A.4,  
4 10 subsection 3.

4 11 Sec. 9. TAX CREDIT CERTIFICATES == RESERVATION DATES.  
4 12 1. The department of cultural affairs shall reissue  
4 13 historic preservation and cultural and entertainment district  
4 14 tax credit certificates held by the original tax credit  
4 15 certificate recipient. Tax credit certificates with a  
4 16 redemption date in the year 2010 shall be reissued with a  
4 17 redemption date of 2009. Tax credit certificates with a  
4 18 redemption date in the year 2011 shall be reissued with a  
4 19 redemption date of 2010. Tax credit certificates with a  
4 20 redemption date in the years 2012, 2013, 2014, 2015, 2016, or  
4 21 2017, shall be reissued with a redemption date of 2011. Tax  
4 22 credit certificates that have been sold since issuance shall  
4 23 not be reissued pursuant to this subsection.

4 24 2. In the order of original reservation dates, the  
4 25 department of cultural affairs shall modify the reservation  
4 26 date of reserved historic preservation and cultural and  
4 27 entertainment district tax credits based on the availability

4 28 of additional moneys for tax credits under this Act.  
4 29 Sec. 10. APPLICABILITY. This division of this Act applies  
4 30 to historic preservation and cultural and entertainment  
4 31 district tax credits applied for or reserved prior to July 1,  
4 32 2007.

4 33 DIVISION II  
4 34 ARTS AND CULTURE

4 35 Sec. 11. NEW SECTION. 303.90 SALES TAX REFUND == FINE  
5 1 ART SALES.

5 2 1. An art dealer or artist shall be entitled to a refund  
5 3 of the sales tax paid under chapter 423 for the sale of fine  
5 4 art when the fine art is sold at a place of business located  
5 5 within a cultural and entertainment district certified by the  
5 6 department of cultural affairs pursuant to section 303.3B,  
5 7 during the first seven years of certification of the district.

5 8 2. To receive the refund a claim shall be filed by the art  
5 9 dealer or artist with the department of revenue. The art  
5 10 dealer or artist shall state under oath, on forms provided by  
5 11 the department, the amount of the sales of fine art upon which  
5 12 sales tax has been paid and make application to the department  
5 13 for any refund of the amount of the sales taxes paid pursuant  
5 14 to chapter 423 upon any fine art sold by the art dealer or  
5 15 artist at a place of business located within a cultural and  
5 16 entertainment district. The department shall audit the claim  
5 17 and, if approved, issue a warrant to the art dealer or artist  
5 18 in the amount of the sales tax which has been paid to the  
5 19 state of Iowa. A claim filed by an art dealer or artist in  
5 20 accordance with this section shall not be denied by reason of  
5 21 a limitation provision set forth in chapter 421 or 423. An  
5 22 art dealer or artist who willfully makes a false report of tax  
5 23 paid under the provisions of this section is guilty of a  
5 24 simple misdemeanor and in addition is liable for the payment  
5 25 of the tax and any applicable penalty and interest.

5 26 3. The sales tax refund allowed under this section applies  
5 27 to fine art sold on or after July 1, 2007.

5 28 4. For purposes of this section, "art dealer", "artist",  
5 29 and "fine art" mean the same as defined in section 556D.1.

5 30 Sec. 12. Section 386.3, subsection 1, paragraphs a and c,  
5 31 Code 2007, are amended to read as follows:

5 32 a. Be comprised of contiguous property wholly located  
5 33 within the boundaries of the city. ~~A self-supported municipal~~  
5 34 ~~improvement district shall be comprised only of property in~~  
5 35 ~~districts which are and be one of the following:~~

6 1 (1) An area zoned for commercial or industrial uses and  
6 2 properties within a use.

6 3 (2) A duly designated historic district.

6 4 (3) A cultural and entertainment district certified by the  
6 5 department of cultural affairs pursuant to section 303.3B.

6 6 c. Be comprised of property one of the following:

6 7 (1) Property related in some manner, including but not  
6 8 limited to present or potential use, physical location,  
6 9 condition, relationship to an area, or relationship to present  
6 10 or potential commercial or other activity in an area, so as to  
6 11 be benefited in any manner, including but not limited to a  
6 12 benefit from present or potential use or enjoyment of the  
6 13 property, by the condition, development or maintenance of the  
6 14 district or of any improvement or self-liquidating improvement  
6 15 of the district, ~~or be comprised of property.~~

6 16 (2) Property the owners of which have a present or  
6 17 potential benefit from the condition, development, or  
6 18 maintenance of the district or of any improvement or  
6 19 self-liquidating improvement of the district.

6 20 (3) Property in a certified cultural and entertainment  
6 21 district the owners of which have a present or potential  
6 22 benefit from the expenditure of moneys for purposes of the  
6 23 operational costs associated with the operation of the  
6 24 certified cultural and entertainment district.

6 25 Sec. 13. Section 386.8, Code 2007, is amended to read as  
6 26 follows:

6 27 386.8 OPERATION TAX.

6 28 A city may establish a self-supported improvement district  
6 29 operation fund, and may certify taxes not to exceed the rate  
6 30 limitation as established in the ordinance creating the  
6 31 district, or any amendment thereto, each year to be levied for  
6 32 the fund against all of the property in the district, for the  
6 33 purpose of paying the administrative expenses of the district,  
6 34 which may include but are not limited to administrative  
6 35 personnel salaries, a separate administrative office, planning  
7 1 costs including consultation fees, engineering fees,  
7 2 architectural fees, and legal fees and all other expenses  
7 3 reasonably associated with the administration of the district

4 and the fulfilling of the purposes of the district. The taxes  
levied for this fund may also be used for the purpose of  
paying maintenance expenses of improvements or  
self=liquidating improvements for a specified length of time  
with one or more options to renew if such is clearly stated in  
the petition which requests the council to authorize  
construction of the improvement or self=liquidating  
improvement, whether or not such petition is combined with the  
petition requesting creation of a district. Parcels of  
property which are assessed as residential property for  
property tax purposes are exempt from the tax levied under  
this section except residential properties within a duly  
designated historic district and residential properties within  
a certified cultural and entertainment district. A tax levied  
under this section is not subject to the levy limitation in  
section 384.1.

Sec. 14. Section 386.9, Code 2007, is amended to read as  
follows:

386.9 CAPITAL IMPROVEMENT TAX.

A city may establish a capital improvement fund for a  
district and may certify taxes, not to exceed the rate  
established by the ordinance creating the district, or any  
subsequent amendment thereto, each year to be levied for the  
fund against all of the property in the district, for the  
purpose of accumulating moneys for the financing or payment of  
a part or all of the costs of any improvement or self=  
liquidating improvement or for the financing or payment of  
operational costs associated with the operation of a certified  
cultural and entertainment district. However, parcels of  
property which are assessed as residential property for  
property tax purposes are exempt from the tax levied under  
this section except residential properties within a duly  
designated historic district and residential properties within  
a certified cultural and entertainment district. A tax levied  
under this section is not subject to the levy limitations in  
section 384.1 or 384.7.

Sec. 15. Section 386.10, Code 2007, is amended to read as  
follows:

386.10 DEBT SERVICE TAX.

A city shall establish a self=supported municipal  
improvement district debt service fund whenever any  
self=supported municipal improvement district bonds are issued  
and outstanding, other than revenue bonds, and shall certify  
taxes to be levied against all of the property in the district  
for the debt service fund in the amount necessary to pay  
interest as it becomes due and the amount necessary to pay, or  
to create a sinking fund to pay, the principal at maturity of  
all self=supported municipal improvement district bonds as  
authorized in section 386.11, issued by the city. However,  
parcels of property which are assessed as residential property  
for property tax purposes at the time of the issuance of the  
bonds are exempt from the tax levied under this section until  
the parcels are no longer assessed as residential property or  
until the residential properties are designated as a part of  
an historic district or a certified cultural and entertainment  
district.

Sec. 16. NEW SECTION. 422.11T ART CONTRIBUTION TAX  
CREDIT.

1. The taxes imposed under this division, less the credits  
allowed under section 422.12, shall be reduced by an art  
contribution tax credit as provided in this section. A  
taxpayer who is an artist of a work of fine art or an author  
of written materials who makes a charitable contribution is  
eligible for the tax credit. The amount of the credit equals  
the fair market value of the work of fine art or written  
materials which is the subject of the charitable contribution.  
If the taxpayer elects to claim the tax credit under this  
section, the taxpayer shall not deduct for Iowa tax purposes  
any amount of the charitable contribution of the fine art or  
written materials upon which the tax credit is based.

2. Any credit in excess of the tax liability for the tax  
year is not refundable but may be credited to the tax  
liability for the following ten years or until depleted,  
whichever is the earlier.

3. For purposes of this section:

a. "Artist" and "fine art" mean the same as those terms  
are defined in section 556D.1.

b. "Charitable contribution" means the same as that term  
is defined in section 170(c) of the Internal Revenue Code,  
excluding a contribution or gift to or for the use of a public  
entity described in paragraph (1) of section 170(c).

9 15 c. "Fair market value" means the appraised value of the  
9 16 fine art or written materials as established pursuant to  
9 17 requirements set by rules adopted by the director.  
9 18 d. "Written materials" means an article, book, essay,  
9 19 poetry, play, script, or story written by an individual on a  
9 20 professional, freelance basis and not as an employee of  
9 21 another person.  
9 22 Sec. 17. RETROACTIVE APPLICABILITY DATE. The section of  
9 23 this division enacting section 422.11T applies retroactively  
9 24 to January 1, 2007, for tax years beginning on or after that  
9 25 date.

9 26 DIVISION III  
9 27 RECREATIONAL TRAILS

9 28 Sec. 18. Section 8.57, subsection 6, paragraph e, Code  
9 29 2007, is amended to read as follows:

9 30 e. Notwithstanding provisions to the contrary in sections  
9 31 99D.17 and 99F.11, for the fiscal year beginning July 1, 2000,  
9 32 and for each fiscal year thereafter, not more than a total of  
9 33 sixty million dollars shall be deposited in the general fund  
9 34 of the state in any fiscal year pursuant to sections 99D.17  
9 35 and 99F.11. The next fifteen million dollars of the moneys  
10 1 directed to be deposited in the general fund of the state in a  
10 2 fiscal year pursuant to sections 99D.17 and 99F.11 shall be  
10 3 deposited in the vision Iowa fund created in section 12.72 for  
10 4 the fiscal year beginning July 1, 2000, and for each fiscal  
10 5 year through the fiscal year beginning July 1, 2019. The next  
10 6 five million dollars of the moneys directed to be deposited in  
10 7 the general fund of the state in a fiscal year pursuant to  
10 8 sections 99D.17 and 99F.11 shall be deposited in the school  
10 9 infrastructure fund created in section 12.82 for the fiscal  
10 10 year beginning July 1, 2000, and for each fiscal year  
10 11 thereafter until the principal and interest on all bonds  
10 12 issued by the treasurer of state pursuant to section 12.81 are  
10 13 paid, as determined by the treasurer of state. The next two  
10 14 million seven hundred thousand dollars of the moneys directed  
10 15 to be deposited in the general fund of the state in a fiscal  
10 16 year pursuant to sections 99D.17 and 99F.11 shall be deposited  
10 17 in the recreational trail connectivity fund created in section  
10 18 12.102 for the fiscal year beginning July 1, 2007, and for  
10 19 each fiscal year thereafter through the fiscal year beginning  
10 20 July 1, 2027. The total moneys in excess of the moneys  
10 21 deposited in the general fund of the state, the vision Iowa  
10 22 fund, ~~and~~ the school infrastructure fund, ~~and the recreational~~  
10 23 ~~trail connectivity fund~~ in a fiscal year shall be deposited in  
10 24 the rebuild Iowa infrastructure fund and shall be used as  
10 25 provided in this section, notwithstanding section 8.60.  
10 26 If the total amount of moneys directed to be deposited in  
10 27 the general fund of the state under sections 99D.17 and 99F.11  
10 28 in a fiscal year is less than the total amount of moneys  
10 29 directed to be deposited in the vision Iowa fund ~~and~~, the  
10 30 school infrastructure fund, ~~and the recreational trail~~  
10 31 ~~connectivity fund~~ in the fiscal year pursuant to this  
10 32 paragraph "e", the difference shall be paid from lottery  
10 33 revenues in the manner provided in section 99G.39, subsection  
10 34 3.

10 35 Sec. 19. NEW SECTION. 12.101 GENERAL AND SPECIFIC

11 1 BONDING POWERS == RECREATIONAL TRAIL CONNECTIVITY PROGRAM.

11 2 1. The treasurer of state may issue bonds upon the request  
11 3 of the economic development board created in section 15.103  
11 4 and do all things necessary with respect to the purposes of  
11 5 the recreational trail connectivity fund. The treasurer of  
11 6 state shall have all of the powers which are necessary to  
11 7 issue and secure bonds and carry out the purposes of the fund.  
11 8 The treasurer of state may issue bonds in principal amounts  
11 9 which, in the opinion of the board, are necessary to provide  
11 10 sufficient funds for the recreational trail connectivity fund  
11 11 created in section 12.102, the payment of interest on the  
11 12 bonds, the establishment of reserves to secure the bonds, the  
11 13 costs of issuance of the bonds, other expenditures of the  
11 14 treasurer of state incident to and necessary or convenient to  
11 15 carry out the bond issue for the fund, and all other  
11 16 expenditures of the board necessary or convenient to  
11 17 administer the fund; provided, however, excluding the issuance  
11 18 of refunding bonds, bonds issued pursuant to this section  
11 19 shall not be issued in an aggregate principal amount which  
11 20 exceeds thirty-four million dollars. The bonds are investment  
11 21 securities and negotiable instruments within the meaning of  
11 22 and for purposes of the uniform commercial code, chapter 554.

11 23 2. Bonds issued under this section are payable solely and  
11 24 only out of the moneys, assets, or revenues of the  
11 25 recreational trail connectivity fund and any bond reserve

11 26 funds established pursuant to section 12.102, all of which may  
11 27 be deposited with trustees or depositories in accordance with  
11 28 bond or security documents and pledged by the board to the  
11 29 payment thereof. Bonds issued under this section shall  
11 30 contain on their face a statement that the bonds do not  
11 31 constitute an indebtedness of the state. The treasurer of  
11 32 state shall not pledge the credit or taxing power of this  
11 33 state or any political subdivision of this state or make bonds  
11 34 issued pursuant to this section payable out of any moneys  
11 35 except those in the recreational trail connectivity fund.

12 1 3. The proceeds of bonds issued by the treasurer of state  
12 2 and not required for immediate disbursement may be deposited  
12 3 with a trustee or depository as provided in the bond documents  
12 4 and invested or reinvested in any investment as directed by  
12 5 the board and specified in the trust indenture, resolution, or  
12 6 other instrument pursuant to which the bonds are issued  
12 7 without regard to any limitation otherwise provided by law.

12 8 4. The bonds shall be:

12 9 a. In a form, issued in denominations, executed in a  
12 10 manner, and payable over terms and with rights of redemption,  
12 11 and be subject to such other terms and conditions as  
12 12 prescribed in the trust indenture, resolution, or other  
12 13 instrument authorizing their issuance.

12 14 b. Negotiable instruments under the laws of the state and  
12 15 may be sold at prices, at public or private sale, and in a  
12 16 manner, as prescribed by the treasurer of state. Chapters  
12 17 73A, 74, 74A, and 75 do not apply to the sale or issuance of  
12 18 the bonds.

12 19 c. Subject to the terms, conditions, and covenants  
12 20 providing for the payment of the principal, redemption  
12 21 premiums, if any, interest, and other terms, conditions,  
12 22 covenants, and protective provisions safeguarding payment, not  
12 23 inconsistent with this section and as determined by the trust  
12 24 indenture, resolution, or other instrument authorizing their  
12 25 issuance.

12 26 5. The bonds are securities in which public officers and  
12 27 bodies of this state; political subdivisions of this state;  
12 28 insurance companies and associations and other persons  
12 29 carrying on an insurance business; banks, trust companies,  
12 30 savings associations, savings and loan associations, and  
12 31 investment companies; administrators, guardians, executors,  
12 32 trustees, and other fiduciaries; and other persons authorized  
12 33 to invest in bonds or other obligations of the state, may  
12 34 properly and legally invest funds, including capital, in their  
12 35 control or belonging to them.

13 1 6. Bonds must be authorized by a trust indenture,  
13 2 resolution, or other instrument of the treasurer of state  
13 3 approved by the board. However, a trust indenture,  
13 4 resolution, or other instrument authorizing the issuance of  
13 5 bonds may delegate to an officer of the board the power to  
13 6 negotiate and fix the details of an issue of bonds.

13 7 7. Neither the resolution, trust agreement, nor any other  
13 8 instrument by which a pledge is created needs to be recorded  
13 9 or filed under the Iowa uniform commercial code, chapter 554,  
13 10 to be valid, binding, or effective.

13 11 8. Bonds issued under the provisions of this section are  
13 12 declared to be issued for a general public and governmental  
13 13 purpose and all bonds issued under this section shall be  
13 14 exempt from taxation by the state of Iowa and the interest on  
13 15 the bonds shall be exempt from the state income tax and the  
13 16 state inheritance and estate tax.

13 17 9. Subject to the terms of any bond documents, moneys in  
13 18 the recreational trail connectivity fund may be expended for  
13 19 administration expenses.

13 20 10. The treasurer of state may issue bonds for the purpose  
13 21 of refunding any bonds or notes issued pursuant to this  
13 22 section then outstanding, including the payment of any  
13 23 redemption premiums thereon and any interest accrued or to  
13 24 accrue to the date of redemption of the outstanding bonds or  
13 25 notes. Until the proceeds of bonds issued for the purpose of  
13 26 refunding outstanding bonds or notes are applied to the  
13 27 purchase or retirement of outstanding bonds or notes or the  
13 28 redemption of outstanding bonds or notes, the proceeds may be  
13 29 placed in escrow and be invested and reinvested in accordance  
13 30 with the provisions of this section. The interest, income,  
13 31 and profits earned or realized on an investment may also be  
13 32 applied to the payment of the outstanding bonds or notes to be  
13 33 refunded by purchase, retirement, or redemption. After the  
13 34 terms of the escrow have been fully satisfied and carried out,  
13 35 any balance of proceeds and interest earned or realized on the  
14 1 investments may be returned to the board for deposit in the

14 2 recreational trail connectivity fund established in section  
14 3 12.102. All refunding bonds shall be issued and secured and  
14 4 subject to the provisions of this chapter in the same manner  
14 5 and to the same extent as other bonds issued pursuant to this  
14 6 section.

14 7 Sec. 20. NEW SECTION. 12.102 RECREATIONAL TRAIL  
14 8 CONNECTIVITY FUND AND RESERVE FUNDS.

14 9 1. A recreational trail connectivity fund is created as a  
14 10 separate and distinct fund in the state treasury. The moneys  
14 11 in the fund are appropriated to the economic development board  
14 12 for purposes of the recreational trail connectivity program  
14 13 established in section 465B.5. Moneys in the fund shall not  
14 14 be subject to appropriation for any other purpose by the  
14 15 general assembly, but shall be used only for the purposes of  
14 16 the recreational trail connectivity fund. The treasurer of  
14 17 state shall act as custodian of the fund and disburse moneys  
14 18 contained in the fund as directed by the board, including  
14 19 automatic disbursements of funds received pursuant to the  
14 20 terms of bond indentures and documents and security provisions  
14 21 to trustees. The fund shall be administered by the board  
14 22 which shall make expenditures from the fund consistent with  
14 23 the purposes of the recreational trail connectivity program  
14 24 without further appropriation. An applicant under the  
14 25 recreational trail connectivity program shall not receive more  
14 26 than five million dollars in financial assistance from the  
14 27 fund.

14 28 2. Revenue for the recreational trail connectivity fund  
14 29 shall include but is not limited to the following, which shall  
14 30 be deposited with the treasurer of state or the treasurer's  
14 31 designee as provided by any bond or security documents and  
14 32 credited to the fund:

14 33 a. The proceeds of bonds issued to capitalize and pay the  
14 34 costs of the fund and investment earnings on the proceeds.

14 35 b. Interest attributable to investment of money in the  
15 1 fund or an account of the fund.

15 2 c. Moneys in the form of a devise, gift, bequest,  
15 3 donation, federal or other grant, reimbursement, repayment,  
15 4 judgment, transfer, payment, or appropriation from any source  
15 5 intended to be used for the purposes of the fund.

15 6 3. Moneys in the recreational trail connectivity fund are  
15 7 not subject to section 8.33. Notwithstanding section 12C.7,  
15 8 subsection 2, interest or earnings on moneys in the fund shall  
15 9 be credited to the fund.

15 10 4. a. The treasurer of state may create and establish one  
15 11 or more special funds, to be known as "bond reserve funds", to  
15 12 secure one or more issues of bonds or notes issued pursuant to  
15 13 section 12.101. The treasurer of state shall pay into each  
15 14 bond reserve fund any moneys appropriated and made available  
15 15 by the state or the treasurer for the purpose of the fund, any  
15 16 proceeds of sale of notes or bonds to the extent provided in  
15 17 the resolutions authorizing their issuance, and any other  
15 18 moneys which may be available to the treasurer for the purpose  
15 19 of the fund from any other sources. All moneys held in a bond  
15 20 reserve fund, except as otherwise provided in this chapter,  
15 21 shall be used as required solely for the payment of the  
15 22 principal of bonds secured in whole or in part by the fund or  
15 23 of the sinking fund payments with respect to the bonds, the  
15 24 purchase or redemption of the bonds, the payment of interest  
15 25 on the bonds, or the payments of any redemption premium  
15 26 required to be paid when the bonds are redeemed prior to  
15 27 maturity.

15 28 b. Moneys in a bond reserve fund shall not be withdrawn  
15 29 from it at any time in an amount that will reduce the amount  
15 30 of the fund to less than the bond reserve fund requirement  
15 31 established for the fund, as provided in this subsection,  
15 32 except for the purpose of making, with respect to bonds  
15 33 secured in whole or in part by the fund, payment when due of  
15 34 principal, interest, redemption premiums, and the sinking fund  
15 35 payments with respect to the bonds for the payment of which  
16 1 other moneys of the treasurer are not available. Any income  
16 2 or interest earned by, or incremental to, a bond reserve fund  
16 3 due to the investment of it may be transferred by the  
16 4 treasurer to other funds or accounts to the extent the  
16 5 transfer does not reduce the amount of that bond reserve fund  
16 6 below the bond reserve fund requirement for it.

16 7 c. The treasurer of state shall not at any time issue  
16 8 bonds, secured in whole or in part by a bond reserve fund, if,  
16 9 upon the issuance of the bonds, the amount in the bond reserve  
16 10 fund will be less than the bond reserve fund requirement for  
16 11 the fund, unless the treasurer of state at the time of  
16 12 issuance of the bonds deposits in the fund from the proceeds

16 13 of the bonds issued or from other sources an amount which,  
16 14 together with the amount then in the fund, will not be less  
16 15 than the bond reserve fund requirement for the fund. For the  
16 16 purposes of this subsection, the term "bond reserve fund  
16 17 requirement" means, as of any particular date of computation,  
16 18 an amount of money, as provided in the resolutions authorizing  
16 19 the bonds with respect to which the fund is established.  
16 20 d. To assure the continued solvency of any bonds secured  
16 21 by the bond reserve fund, provision is made in paragraph "c"  
16 22 for the accumulation in each bond reserve fund of an amount  
16 23 equal to the bond reserve fund requirement for the fund. In  
16 24 order further to assure maintenance of the bond reserve funds,  
16 25 the treasurer of state shall, on or before January 1 of each  
16 26 calendar year, make and deliver to the governor the treasurer  
16 27 of state's certificate stating the sum, if any, required to  
16 28 restore each bond reserve fund to the bond reserve fund  
16 29 requirement for that fund. Within thirty days after the  
16 30 beginning of the session of the general assembly next  
16 31 following the delivery of the certificate, the governor shall  
16 32 submit to both houses printed copies of a budget including the  
16 33 sum, if any, required to restore each bond reserve fund to the  
16 34 bond reserve fund requirement for that fund. Any sums  
16 35 appropriated by the general assembly and paid to the treasurer  
17 1 of state pursuant to this subsection shall be deposited by the  
17 2 treasurer of state in the applicable bond reserve fund.

17 3 Sec. 21. NEW SECTION. 12.103 PLEDGES.

17 4 It is the intention of the general assembly that a pledge  
17 5 made in respect of bonds or notes shall be valid and binding  
17 6 from the time the pledge is made, that the money or property  
17 7 so pledged and received after the pledge by the treasurer of  
17 8 state shall immediately be subject to the lien of the pledge  
17 9 without physical delivery or further act, and that the lien of  
17 10 the pledge shall be valid and binding as against all parties  
17 11 having claims of any kind in tort, contract, or otherwise  
17 12 against the treasurer of state whether or not the parties have  
17 13 notice of the lien.

17 14 Sec. 22. NEW SECTION. 12.104 PROJECTS.

17 15 The economic development board may undertake a project for  
17 16 two or more applicants jointly or for any combination of  
17 17 applicants, and may combine for financing purposes, with the  
17 18 consent of all of the applicants which are involved, the  
17 19 project and some or all future projects of any applicant, and  
17 20 sections 12.101, 12.102, and 12.103, this section, and  
17 21 sections 12.105 and 12.106 apply to and for the benefit of the  
17 22 economic development board and the joint applicants. However,  
17 23 the money set aside in a fund or funds pledged for any series  
17 24 or issue of bonds or notes shall be held for the sole benefit  
17 25 of the series or issue separate and apart from money pledged  
17 26 for another series or issue of bonds or notes of the treasurer  
17 27 of state. To facilitate the combining of projects, bonds or  
17 28 notes may be issued in series under one or more resolutions or  
17 29 trust agreements and may be fully open-ended, thus providing  
17 30 for the unlimited issuance of additional series, or partially  
17 31 open-ended, limited as to additional series.

17 32 Sec. 23. NEW SECTION. 12.105 LIMITATIONS.

17 33 Bonds or notes issued pursuant to section 12.101 are not  
17 34 debts of the state, or of any political subdivision of the  
17 35 state, and do not constitute a pledge of the faith and credit  
18 1 of the state or a charge against the general credit or general  
18 2 fund of the state. The issuance of any bonds or notes  
18 3 pursuant to section 12.101 by the treasurer of state does not  
18 4 directly, indirectly, or contingently obligate the state or a  
18 5 political subdivision of the state to apply moneys from, or to  
18 6 levy or pledge any form of taxation whatever, to the payment  
18 7 of the bonds or notes. Bonds and notes issued under section  
18 8 12.101 are payable solely and only from the sources and  
18 9 special fund provided in section 12.102.

18 10 Sec. 24. NEW SECTION. 12.106 CONSTRUCTION.

18 11 Sections 12.101 through 12.105, being necessary for the  
18 12 welfare of this state and its inhabitants, shall be liberally  
18 13 construed to effect its purposes.

18 14 Sec. 25. Section 465B.2, subsection 3, unnumbered  
18 15 paragraph 1, Code 2007, is amended to read as follows:

18 16 The state department of transportation may enter into  
18 17 contracts for the preparation of the trails plan. The  
18 18 department shall involve the department of natural resources,  
18 19 the Iowa department of economic development, and the  
18 20 department of cultural affairs in the preparation of the plan.  
18 21 The recommendations and comments of organizations representing  
18 22 different types of trail users and others with interests in  
18 23 this program shall also be incorporated in the preparation of



18 24 the trails plan and shall be submitted with the plan to the  
18 25 general assembly. ~~The plan shall be submitted to the general~~  
~~18 26 assembly no later than January 15, 1988.~~ Existing trail  
18 27 projects involving acquisition or development may receive  
18 28 funding prior to the completion of the trails plan.

18 29 Sec. 26. NEW SECTION. 465B.5 RECREATIONAL TRAIL  
18 30 CONNECTIVITY PROGRAM.

18 31 The state department of transportation, in consultation  
18 32 with the department of economic development, the department of  
18 33 natural resources, and the department of cultural affairs,  
18 34 shall establish and administer a recreational trail  
18 35 connectivity program. Financial assistance under the program  
19 1 shall take the form of grants and shall be provided from  
19 2 moneys in the recreational trail connectivity fund created in  
19 3 section 12.102. A city or county may apply to the department  
19 4 for a grant under the program. Any money distributed under  
19 5 the program shall be used for purposes of building  
19 6 recreational trails that link two or more cities, economic  
19 7 tourism bases, Iowa great places identified under the Iowa  
19 8 great places program under section 303.3C, or cultural and  
19 9 entertainment districts certified pursuant to section 303.3B.  
19 10 Moneys distributed under the program shall also be used for  
19 11 purposes of building recreational trails that link an existing  
19 12 recreational trail to another recreational trail, a cultural  
19 13 and entertainment district certified pursuant to section  
19 14 303.3B, a state park, or a historic site as defined in section  
19 15 303.2. Moneys distributed under the program may be used for  
19 16 purposes of building an equestrian or snowmobile trail that  
19 17 runs parallel to a recreational trail. The department shall  
19 18 adopt rules pursuant to chapter 17A for administering the  
19 19 program. For purposes of this section, "economic tourism  
19 20 base" means a business located outside the city limits of an  
19 21 incorporated city if the business generates revenue from  
19 22 tourism-related operations.

19 23 Sec. 27. APPROPRIATION. There is appropriated from the  
19 24 general fund of the state to the department of economic  
19 25 development for the fiscal year beginning July 1, 2007, and  
19 26 ending June 30, 2008, the following amount, or so much thereof  
19 27 as is necessary, to be used for the purposes designated:

19 28 For purposes of marketing the recreational trails in the  
19 29 state:

19 30 ..... \$ 100,000

19 31 DIVISION IV

19 32 WORKFORCE TRAINING

19 33 Sec. 28. NEW SECTION. 260H.101 IOWA BASIC EDUCATION AND  
19 34 SKILLS TRAINING PROGRAM.

19 35 1. The division of community colleges and workforce  
20 1 preparation of the department of education shall establish and  
20 2 administer an Iowa basic education and skills training  
20 3 program. Under the Iowa basic education and skills training  
20 4 program, a person enrolled in a certificate program at a  
20 5 community college may receive tuition assistance, provided  
20 6 that the criteria of this section are met.

20 7 2. In order to receive tuition assistance, the certificate  
20 8 program in which the person is enrolled must be approved for  
20 9 tuition assistance by the division of community colleges and  
20 10 workforce preparation of the department of education. To be  
20 11 approved, a program must be a certificate program that offers  
20 12 a credential; a state, national, or locally recognized  
20 13 certificate; preparation for a professional examination or  
20 14 licensure; or an endorsement to an existing credential or  
20 15 license; or represent recognized skill standards defined by  
20 16 business and industry.

20 17 3. A person who resides in a qualified census tract, as  
20 18 determined by the most recent federal census, resides in a  
20 19 federal historical underutilized business zone, or resides in  
20 20 a city or county approved pursuant to subsection 6 is eligible  
20 21 for tuition assistance in the following amounts if the  
20 22 criteria are met:

20 23 a. Fifty percent tuition assistance if the person has an  
20 24 income of more than sixty-five percent but less than eighty  
20 25 percent of the county median family income.

20 26 b. One hundred percent tuition assistance if the person  
20 27 has an income of sixty-five percent or less of the county  
20 28 median family income.

20 29 4. Eligible program expenses that may be reimbursed  
20 30 through tuition assistance include costs for tuition, text  
20 31 books, assessments, work readiness certificate examinations,  
20 32 required physical examinations, and licensure examinations.

20 33 5. The division of community colleges and workforce  
20 34 preparation of the department of education shall adopt rules

20 35 pursuant to chapter 17A for purposes of administering this  
21 1 chapter.  
21 2 6. A city or county may apply for approval under  
21 3 subsection 3. In order to be approved, a city of any size or  
21 4 a county must have designated and established an enterprise  
21 5 zone pursuant to section 15E.194, subsection 5.  
21 6 Sec. 29. NEW SECTION. 260H.102 WORKFORCE SERVICES AND  
21 7 CUSTOMIZED TRAINING.

21 8 A community college may establish a partnership with the  
21 9 department of workforce development to provide labor market  
21 10 information regarding demand occupations, assistance in  
21 11 developing customized training partnerships with local area  
21 12 employers, or placement, retention, and advancement services.  
21 13 Moneys received by a community college pursuant to section  
21 14 260H.103 may be used to support partnerships entered into  
21 15 pursuant to this section.

21 16 Sec. 30. NEW SECTION. 260H.103 FUNDING.

21 17 1. There is appropriated from the general fund of the  
21 18 state to the department of education for each fiscal year,  
21 19 three million dollars to be used by community colleges for  
21 20 purposes of this chapter.

21 21 2. The department shall distribute one hundred thousand  
21 22 dollars to each community college to be used for purposes of  
21 23 this chapter.

21 24 3. Any moneys remaining after distributions made pursuant  
21 25 to subsection 2 shall be distributed to each community college  
21 26 in an amount based on the proportional share of the three-year  
21 27 rolling average of full-time equivalent enrollments of all  
21 28 community colleges as determined by the division of community  
21 29 colleges and workforce preparation of the department of  
21 30 education.

21 31 4. A community college shall not use more than twenty  
21 32 thousand dollars each fiscal year from moneys distributed  
21 33 pursuant to this section for providing intake and career  
21 34 assessment services as well as program monitoring and post  
21 35 program follow-up activities related to the provisions of this  
22 1 chapter.

#### 22 2 DIVISION V

##### 22 3 MAIN STREET DEVELOPMENT

22 4 Sec. 31. MAIN STREET PROGRAM == APPROPRIATION. For the  
22 5 fiscal year beginning July 1, 2007, and ending June 30, 2008,  
22 6 there is appropriated from the general fund of the state to  
22 7 the department of economic development \$1,314,876 for purposes  
22 8 of the main street program.

##### 22 9 EXPLANATION

22 10 DIVISION I == This division of the bill relates to the  
22 11 historic preservation and cultural and entertainment district  
22 12 tax credits.

22 13 Currently, a person receiving a historic preservation and  
22 14 cultural and entertainment district tax credit may receive a  
22 15 tax credit refund at a discounted value for the amount in  
22 16 excess of the taxpayer's tax liability in the year that the  
22 17 tax credit is claimed.

22 18 The bill eliminates the discounting of the value of a  
22 19 refund and allows the entire value of the tax credit to be  
22 20 refunded. In addition, the bill allows a taxpayer, in lieu of  
22 21 claiming a refund, to elect to have the overpayment shown on  
22 22 the person's final, completed return credited to the tax  
22 23 liability for the following year. The bill makes conforming  
22 24 amendments.

22 25 Currently, the total amount of historic preservation and  
22 26 cultural and entertainment district tax credits that may be  
22 27 approved for a fiscal year shall not exceed \$2.4 million. For  
22 28 the fiscal year 2005=2006, an additional \$4 million of tax  
22 29 credits may be approved each fiscal year for purposes of  
22 30 projects located in certified cultural and entertainment  
22 31 districts.

22 32 The bill increases the amount of tax credits that may be  
22 33 approved for FY 2007=2008 to \$10 million, for FY 2008=2009 to  
22 34 \$15 million, and for FY 2009=2010, and each fiscal year  
22 35 thereafter, to \$20 million, less moneys appropriated to the

23 1 department of cultural affairs for administrative purposes.

23 2 The bill provides that, of the tax credits approved each  
23 3 fiscal year, 10 percent of the dollar amount of the tax  
23 4 credits shall be allocated for purposes of new projects with  
23 5 qualified costs of \$500,000 or less, and 40 percent of the  
23 6 dollar amount of tax credits shall be allocated for purposes  
23 7 of new projects located in cultural and entertainment  
23 8 districts or identified in Iowa great places agreements.

23 9 The bill provides that with the exception of tax credits  
23 10 entered into prior to July 1, 2007, tax credits shall not be

23 11 reserved for more than three years.

23 12 The bill appropriates \$150,000 each fiscal year for FY  
23 13 2007=2008, and each fiscal year thereafter, from the general  
23 14 fund of the state to the department of cultural affairs for  
23 15 purposes of administrative costs.

23 16 The bill provides that the department shall reissue tax  
23 17 credit certificates held by the original tax credit  
23 18 certificate recipient for certain dates. The bill provides  
23 19 that certificates that have been sold since issuance shall not  
23 20 be reissued.

23 21 The bill provides that, in order of original reservation  
23 22 dates, the department shall modify the reservation date of  
23 23 reserved tax credits based on the availability of additional  
23 24 moneys for tax credits.

23 25 This division of the bill applies to tax credits applied  
23 26 for or reserved prior to July 1, 2007.

23 27 DIVISION II == This division of the bill relates to arts  
23 28 and culture.

23 29 The bill provides that an art dealer or artist shall be  
23 30 entitled to a refund of the sales tax paid for the sale of  
23 31 fine art when the fine art is sold at a place of business  
23 32 located within a certified cultural and entertainment district  
23 33 during the first seven years of certification of the district.  
23 34 The sales tax refund applies to fine art sold on or after July  
23 35 1, 2007.

24 1 Currently, a city is allowed to create a self-supported  
24 2 municipal improvement district comprised of areas zoned for  
24 3 commercial or industrial use and property within a duly  
24 4 designated historic district. The bill expands the type of  
24 5 property that may be included in a district to cultural and  
24 6 entertainment districts certified by the department of  
24 7 cultural affairs. The bill provides that a self-supported  
24 8 municipal improvement district may be comprised of property in  
24 9 a certified cultural and entertainment district the owners of  
24 10 which have a present or potential benefit from the expenditure  
24 11 of moneys for purposes of the operational costs associated  
24 12 with the operation of the certified cultural and entertainment  
24 13 district. The bill provides that residential property within  
24 14 a certified cultural and entertainment district may be taxed  
24 15 for purposes of an operation tax, a capital improvement tax,  
24 16 and a debt service tax for a self-supported municipal  
24 17 improvement district.

24 18 The bill provides for an individual income tax credit equal  
24 19 to the value of a charitable contribution of a work of fine  
24 20 art or written materials by the artist or author. The credit  
24 21 is in lieu of the present charitable contribution tax  
24 22 deduction. The charitable contribution is generally one made  
24 23 to a nonprofit, tax-exempt organization which is operated for  
24 24 religious, charitable, scientific, literary, or educational  
24 25 purposes, and does not include gifts for the use of  
24 26 governmental entities. This provision of the division applies  
24 27 retroactively to January 1, 2007, for tax years beginning on  
24 28 or after that date.

24 29 DIVISION III == This division of the bill relates to  
24 30 recreational trails.

24 31 The bill appropriates from the general fund of the state to  
24 32 the department of economic development for the fiscal year  
24 33 beginning July 1, 2007, and ending June 30, 2008, \$100,000 for  
24 34 purposes of marketing the recreational trails in the state.

24 35 The bill eliminates outdated provisions of the statewide  
25 1 trails development program.

25 2 The bill requires the department of economic development to  
25 3 establish and administer a recreational trail connectivity  
25 4 program. The bill provides that financial assistance shall be  
25 5 in the form of grants and shall be provided from moneys in the  
25 6 recreational trail connectivity fund. The bill provides that  
25 7 a city or county may apply to the department for a grant under  
25 8 the program. The bill provides that any money distributed  
25 9 under the program shall be used for purposes of building  
25 10 recreational trails that link two or more cities, economic  
25 11 tourism bases, Iowa great places identified under the Iowa  
25 12 great places program, or certified cultural and entertainment  
25 13 districts.

25 14 The bill allows the treasurer of state to issue bonds for  
25 15 purposes of generating funding for the recreational trail  
25 16 connectivity fund. The treasurer of state shall have all of  
25 17 the powers which are necessary to issue and secure bonds and  
25 18 carry out the purposes of the fund. The bill allows the  
25 19 treasurer of state to issue bonds in principal amounts which,  
25 20 in the opinion of the board, are necessary to provide  
25 21 sufficient funds for the recreational trail connectivity fund,

25 22 the payment of interest on the bonds, the establishment of  
25 23 reserves to secure the bonds, the costs of issuance of the  
25 24 bonds, other expenditures of the treasurer of state incident  
25 25 to and necessary or convenient to carry out the bond issue for  
25 26 the fund, and all other expenditures of the economic  
25 27 development board necessary or convenient to administer the  
25 28 fund; provided, however, excluding the issuance of refunding  
25 29 bonds, bonds issued shall not be issued in an aggregate  
25 30 principal amount which exceeds \$34 million. The bill provides  
25 31 that the bonds are investment securities and negotiable  
25 32 instruments within the meaning of and for purposes of the  
25 33 uniform commercial code, chapter 554. The bill provides that  
25 34 the bonds are payable solely and only out of the moneys,  
25 35 assets, or revenues of the recreational trail connectivity  
26 1 fund and any bond reserve funds. The bill prohibits the  
26 2 treasurer of state from pledging the credit or taxing power of  
26 3 this state or any political subdivision of this state or  
26 4 making bonds issued pursuant to new Code section 12.101  
26 5 payable out of any moneys except those in the recreational  
26 6 trail connectivity fund. The bill provides that the proceeds  
26 7 of bonds issued by the treasurer of state and not required for  
26 8 immediate disbursement may be deposited with a trustee or  
26 9 depository as provided in the bond documents and invested or  
26 10 reinvested in any investment as directed by the board and  
26 11 specified in the trust indenture, resolution, or other  
26 12 instrument pursuant to which the bonds are issued without  
26 13 regard to any limitation otherwise provided by law. The bill  
26 14 provides the form bonds shall take. The bill provides that  
26 15 the bonds are declared to be issued for a general public and  
26 16 governmental purpose and all bonds issued shall be exempt from  
26 17 taxation by the state of Iowa and the interest on the bonds  
26 18 shall be exempt from the state income tax and the state  
26 19 inheritance and estate tax. The bill allows moneys in the  
26 20 recreational trail connectivity fund to be expended for  
26 21 administration expenses, subject to the terms of any bond  
26 22 documents. The bill allows the treasurer of state to issue  
26 23 bonds for the purpose of refunding any bonds or notes issued  
26 24 then outstanding, including the payment of any redemption  
26 25 premiums thereon and any interest accrued or to accrue to the  
26 26 date of redemption of the outstanding bonds or notes.

26 27 The bill creates a recreational trail connectivity fund  
26 28 established as a separate and distinct fund in the state  
26 29 treasury. The bill provides that moneys in the fund are  
26 30 appropriated to the economic development board for purposes of  
26 31 the recreational trail connectivity program. The bill  
26 32 provides that the treasurer of state shall act as custodian of  
26 33 the fund and disburse moneys contained in the fund as directed  
26 34 by the economic development board, including automatic  
26 35 disbursements of funds received pursuant to the terms of bond  
27 1 indentures and documents and security provisions to trustees.  
27 2 The bill provides that an applicant under the recreational  
27 3 trail connectivity program shall not receive more than \$5  
27 4 million in financial assistance from the fund. The bill  
27 5 allows the treasurer of state to create and establish one or  
27 6 more special funds, to be known as "bond reserve funds", to  
27 7 secure one or more issues of bonds or notes.

27 8 The bill provides for the binding and valid nature of a  
27 9 pledge made in respect of bonds or notes issued by the  
27 10 treasurer of state.

27 11 The bill allows the economic development board to undertake  
27 12 a project for two or more applicants jointly or for any  
27 13 combination of applicants, and to combine for financing  
27 14 purposes, with the consent of all of the applicants which are  
27 15 involved, the project and some or all future projects of any  
27 16 applicant.

27 17 The bill provides that bonds or notes issued are not debts  
27 18 of the state, or of any political subdivision of the state,  
27 19 and do not constitute a pledge of the faith and credit of the  
27 20 state or a charge against the general credit or general fund  
27 21 of the state.

27 22 The bill amends Code section 8.57 to provide that \$2.7  
27 23 million of gambling revenues shall be deposited in the  
27 24 recreational trail connectivity fund for the fiscal year  
27 25 beginning July 1, 2007, and for each fiscal year thereafter  
27 26 through the fiscal year beginning July 1, 2027.

27 27 DIVISION IV == This division of the bill relates to  
27 28 workforce training.

27 29 The bill allows certain persons enrolled in a certificate  
27 30 program at a community college to receive tuition assistance  
27 31 provided that certain criteria are met. The bill requires  
27 32 that the program in which the person is enrolled must be

27 33 approved for tuition assistance by the division of community  
27 34 colleges and workforce preparation of the department of  
27 35 education. To be approved, a program must be a certificate  
28 1 program that offers a credential; a state, national, or  
28 2 locally recognized certificate; preparation for a professional  
28 3 examination or licensure; or an endorsement to an existing  
28 4 credential or license; or represent recognized skill standards  
28 5 defined by business and industry. The bill allows for  
28 6 different levels of tuition assistance based on residency  
28 7 requirements and income levels. The bill identifies certain  
28 8 program costs that are reimbursable through tuition  
28 9 assistance. The bill requires the division of community  
28 10 colleges and workforce preparation of the department of  
28 11 education to administer the program.  
28 12 The bill allows a community college to establish a  
28 13 partnership with the department of workforce development to  
28 14 provide labor market information regarding demand occupations,  
28 15 assistance in developing customized training partnerships with  
28 16 local area employers, or placement, retention, and advancement  
28 17 services.  
28 18 The bill appropriates from the general fund of the state to  
28 19 the department of education for each fiscal year, \$3 million  
28 20 to be used by community colleges. The bill requires the  
28 21 department to distribute \$100,000 to each community college to  
28 22 be used for purposes of the training program. The bill  
28 23 provides that any remaining moneys shall be distributed to  
28 24 each community college in an amount based on the proportional  
28 25 share of the three-year rolling average of full-time  
28 26 equivalent enrollments of all community colleges as determined  
28 27 by the division of community colleges and workforce  
28 28 preparation of the department of education. The bill  
28 29 prohibits a community college from using more than \$20,000  
28 30 each fiscal year from the distributed moneys for providing  
28 31 intake and career assessment services as well as program  
28 32 monitoring and post program follow-up activities related to  
28 33 the program.  
28 34 DIVISION V == This division of the bill relates to the main  
28 35 street program.  
29 1 The bill provides that for FY 2007=2008 there is  
29 2 appropriated from the general fund of the state to the  
29 3 department of economic development \$1.3 million for purposes  
29 4 of the main street program.  
29 5 LSB 1062SV 82  
29 6 tm:rj/je/5